



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2009 Biennium

Bill #	HB0363	Title:	Revise school budget laws
Primary Sponsor:	Ward, John	Status:	As Introduced

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input type="checkbox"/> Needs to be included in HB 2 | <input checked="" type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact: HB 363 revises school district budget limitations and the voting requirements for the over-BASE portion of the school district general fund budget. HB 363 has no impact on state support for K-12 schools.

FISCAL ANALYSIS

Assumptions:

- The changes in HB 363 affect the over-BASE portion of a school district's general fund budget. There is no impact to the state general fund as a result of the bill.

Effect on County or Other Local Revenues or Expenditures:

- Any increases in local property taxes to support the over-BASE levy must be approved by the district voters. It removes the requirement to vote levies that exceed the statutory maximum budget.
- The legislation provides the same procedure for all school general fund levy elections regardless of whether the district adopts a budget which is less than or in excess of the maximum general fund budget.

Technical Notes:

A 1989 Supreme Court decision required the state to provide school districts with equalized budgets. This legislation moves in a direction of less equalized district budgets:

- This legislation eliminates statute that requires districts to reduce general fund budgets that are above the equalized area over a period of time specified in law.

- HB 363 allows additional districts to exceed the equalized budget range by adopting budgets over the maximum calculated budget whenever the state increases the entitlements in MCA 20-9-327 through 20-9-330 and the district's prior year budget is higher than the current year maximum budget.
- Under current law, a district may not exceed its maximum budget without voter approval. Under the provisions of HB 363, a district may be able to exceed the maximum budget without voter approval.

Sponsor's Initials

Date

Budget Director's Initials

Date